

GLOOM OR BOOM?

The Puzzling Trends in Indian Women's Labor Force Participation

Sonalde Desai

Distinguished University Professor
University of Maryland and
Professor and Centre Director
NCAER-National Data Innovation Center, New Delhi



LECTURE ABSTRACT

The past three decades have seen tremendous changes in Indian women's lives. There has been a phenomenal expansion in Indian women's school enrollment and a decline in the gender gap in education. Fertility has fallen sharply with a rise in the number of years women spend without having to care for young children. These transformations should logically result in a growth in women's labor force participation. Yet, contrary to expectations, results from the National Sample Survey and Periodic Labour Force Survey record a decline in women's employment in the first two decades of the century with a striking increase in 2020s. What accounts for this trend? Does it reflect the U-shaped relationship between economic growth and women's employment, as suggested by Claudia Goldin, or are we seeing a different phenomenon? This presentation will use data from National Sample Surveys, Periodic Labour Force Surveys, and India Human Development Surveys to examine diverse explanations for changes in women's labour force participation. Three potential explanations, which are significant, deserve attention. First, does the observed trend reflect changes in underlying behaviors as opposed to reflecting a methodological artefact? Second, is a reduction in labor supply a function of growing family incomes, reducing the need to rely on women's labor combined with social norms that limit women's mobility? Third, do expanded opportunities overcome these limitations and draw women into the labor force?